



**FILED**  
5-31-16  
04:59 PM

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

Order Instituting Rulemaking to consider  
Alternative-Fueled Vehicle Programs, Tariffs,  
and Policies.

Rulemaking 13-11-007  
(Filed November 14, 2013)

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) REPLY COMMENTS**  
**IN RESPONSE TO AMENDED SCOPING MEMO AND RULING OF THE**  
**ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE**

FADIA RAFEEDIE KHOURY  
ANDREA L. TOZER

Attorneys for  
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue  
Post Office Box 800  
Rosemead, California 91770  
Telephone: (626) 302-6713  
Facsimile: (626) 302-7740  
E-mail: [Andrea.Tozer@sce.com](mailto:Andrea.Tozer@sce.com)

Dated: **May 31, 2016**

**SOUTHERN CALIFORNIA EDISON COMPANY’S (U 338-E) REPLY COMMENTS IN  
RESPONSE TO AMENDED SCOPING MEMO AND RULING OF THE ASSIGNED  
COMMISSIONER AND ADMINISTRATIVE LAW JUDGE**

**TABLE OF CONTENTS**

<b><u>Section</u></b>	<b><u>Title</u></b>	<b><u>Page</u></b>
I. INTRODUCTION .....		1
II. DISCUSSION .....		2
A.	SCE Agrees with Parties Advocating for Increased Utility Involvement in Transportation Electrification, Which Is Essential for Achieving the Goals of Senate Bill 350 .....	2
B.	The Commission Should Provide Utilities Flexibility in Implementing TE Programs .....	6
C.	The Commission Should Provide an Expedited Process to Approve TE Proposals.....	6
D.	SCE Recommends Conducting Further Research to Better Understand Rate-Structure Features to Facilitate TE.....	8
E.	SCE Agrees with Several Recommendations to Enhance the Straw Proposal.....	8
F.	Controlled Charging Should Be Eligible Under the Storage Procurement Mandate to Incentivize Vehicle-Grid Integration.....	10
III. CONCLUSION.....		11
APPENDIX 1: PROPOSED REVISION OF APPENDIX A: SB 350 TRANSPORTATION ELECTRIFICATION APPLICATION GUIDANCE STRAW PROPOSAL: GENERAL GUIDANCE		

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

Order Instituting Rulemaking to consider  
Alternative-Fueled Vehicle Programs, Tariffs,  
and Policies.

Rulemaking 13-11-007  
(Filed November 14, 2013)

**SOUTHERN CALIFORNIA EDISON COMPANY’S (U 338-E) REPLY COMMENTS IN  
RESPONSE TO AMENDED SCOPING MEMO AND RULING OF THE  
ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE**

**I.**

**INTRODUCTION**

Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (Commission) and the Amended Scoping Memo and Ruling of the Assigned Commissioner and Administrative Law Judge, issued March 30, 2016 (Scoping Memo), Southern California Edison Company (SCE) respectfully submits its reply to parties’ opening comments on the Scoping Memo.<sup>1</sup>

---

<sup>1</sup> In addition to SCE, the following parties filed opening comments on the Scoping Memo on May 18, 2016: San Diego Airport Parking Company (“SDAP”); South Coast Air Quality Management District (“SCAQMD”); East Yard Communities for Environmental Justice (“EYCEJ”), Center for Community Action and Environmental Justice (“CCA EJ”), and Sierra Club (collectively “Intervenors”); BMW of North America, LLC (“BMW”); Southern California Gas Company (“SoCalGas”); The Utility Reform Network (“TURN”); the City of Lancaster (“Lancaster”); the Natural Resources Defense Council (“NRDC”); San Diego Gas and Electric Company (“SDG&E”); Chargepoint, Inc. (“Chargepoint”); Green Power Institute (“GPI”); eV2g LLC (“eV2g”); Environmental Defense Fund (“EDF”); the Consumer Federation of California (“CFC”); KnGrid; the Center for Sustainable Energy (“CSE”); the Coalition of California Utility Employees (“CUE”); Pacific Gas and Electric Company (“PG&E”); Alliance of Automobile Manufacturers and American

In these comments, SCE reaffirms the need for increased utility involvement in advancing transportation electrification (TE) efforts, and recommends that the Commission:

- Provide utilities with flexibility to implement TE plans in a manner that best suits the unique needs of their respective service territories;
- Provide an expedited process to approve “no regrets” TE programs and investments to urgently address the state’s progressive energy, transportation, and environmental policy goals and requirements;
- Recognize the need for further research in identifying potential rate structure barriers to TE, and coordinate with stakeholders to develop solutions that appropriately address those barriers;
- Allow controlled vehicle charging to count towards SCE’s energy storage procurement obligation; and,
- Adopt SCE’s revisions to the Energy Division’s (ED’s) Application Guidance Straw Proposal.

## **II.**

### **DISCUSSION**

#### **A. SCE Agrees with Parties Advocating for Increased Utility Involvement in Transportation Electrification, Which Is Essential for Achieving the Goals of Senate Bill 350**

As discussed in SCE’s opening comments, SCE strongly supports a broad, comprehensive, and long-term role for utilities to help accelerate widespread adoption of TE efforts at the large scale needed to meet the requirements of Senate Bill (SB) 350.<sup>2</sup>

---

Honda Motor Group Co., Inc. (Joint Automakers); and the Sonoma Clean Power Authority (“SCPA”).

<sup>2</sup> SCE Opening Comments, p. 10.

To help inform the Commission and stakeholders about the role that utilities can perform in advancing TE, SCE has provided guiding principles, as well as a potential phased-in approach for SB 350 implementation that could guide future utility involvement for facilitating TE efforts in support of state goals.<sup>3</sup> TE is a critical component of California’s clean energy future, and is necessary for achieving the goals of SB 350, as well as the state’s broader climate, energy, and transportation goals, and federal air quality requirements. Time is of the essence, and, to accomplish these goals quickly and effectively, SCE continues to recommend that the Commission:

- Regard TE with an appropriate sense of urgency by conducting TE efforts *in parallel* with the Integrated Resource Plans (IRPs) process, rather than awaiting the completion of IRPs before taking action;
- Rely on qualitative (rather than quantitative) analyses in the TE application guidance design, and avoid addressing attribution prematurely at this time; and,
- Recognize the need for expedited, large-scale adoption of TE by including an expedited, “fast-track” approval process for “no regrets” TE programs, while allowing a traditional approval process for TE programs outside of this scope.

SCE further expands on the importance and need for these key recommendations in Section C, below.

Many parties agree with SCE’s recommendations and similarly support *increasing* utility involvement in advancing TE,<sup>4</sup> with only one party requesting more limited utility involvement.<sup>5</sup>

---

<sup>3</sup> SCE Opening Comments, pp. 1-3.

<sup>4</sup> See, for example, support of increased IOU involvement in TE: SCAQMD Comments, pp. 4-5; NRDC Comments, p. 1.; CUE Comments, p. 4: “The Commission should build on the adopted ... pilot programs for light-duty vehicles and require the utilities to scale up from these initial pilots using the lessons learned from those pilots.”; SDG&E Comments, p. 2: “SDG&E believes that California and the utilities play an important role in ... developing solutions that efficiently integrate electric transportation with the utility grid in a manner that benefits ratepayers. In addition, well designed utility transportation electrification programs can enable market growth . . . .”

<sup>5</sup> See TURN Comments, p. 3.

In particular, the South Coast Air Quality Management District (SCAQMD) and Natural Resources Defense Council (NRDC) emphasize the critical importance of the utilities' role in TE. SCAQMD highlights the unique function that utilities can play in addressing challenges associated with establishing charging infrastructure, arguing that “[u]tilities have unique expertise and—due to their direct, sustained access to a large customer base—are in a unique position to provide support and assistance in overcoming such challenges.”<sup>6</sup> Similarly, NRDC argues that “[u]tility programs and investments that merely keep pace with business-as-usual demand fail to comply with the directive contained in [Public Utilities Code] §740.12—the programs and investments required by SB 350 must be calibrated to ‘*accelerate* widespread transportation electrification’ to meet the specified outcomes.”<sup>7</sup> SCE agrees that a business-as-usual approach is not sufficient to accomplish the goals of SB 350, and that utilities should expand on their ongoing TE efforts, rather than maintain the status quo of involvement or limit their involvement in any manner. SCE further supports statements made by parties that specifically call for TE programs and investments in both light-duty and non-light-duty TE sectors, which are greatly needed.<sup>8</sup>

In support of expanding utilities' contributions to accelerate TE, the Commission should disregard TURN's recommendation that utility involvement be more *limited*. TURN argues that “[r]atepayer-funded programs for widespread infrastructure ... are inappropriate for the [medium-duty and heavy-duty] MHD/HD segment,” and recommends that “[t]he Commission should direct the utilities to file applications focused *primarily* on programs that do not involve capital investments using ratepayer funds.”<sup>9</sup> Although SCE shares TURN's interest in mitigating risks to ratepayers, SCE believes that—to comply with SB 350 and the state's long-term energy,

---

<sup>6</sup> SCAQMD Comments, p. 5.

<sup>7</sup> NRDC Comments, p. 1.

<sup>8</sup> NRDC Comments, p. 6; SCAQMD Comments, pp. 3-4; SDG&E Comments, p. 7; Intervenor Comments, pp. 2-3; and ChargePoint Comments, p. 6.

<sup>9</sup> TURN Comments, pp. 3-4.

transportation, and environmental goals—strong and *expanded* utility involvement will be required *in addition to* involvement from stakeholders like NRG,<sup>10</sup> who are also advancing charging infrastructure. Therefore, the Commission should not limit utilities from engaging in future programs—or expand existing programs—that will continue to spur TE adoption in support of SB 350 goals. Instead, the Commission should encourage an “all-hands-on-deck” approach to achieving these goals, as SCE previously recommended,<sup>11</sup> where involvement from other stakeholders or past efforts by utilities *should not preclude* future utility engagement and contributions. Indeed, the Alliance of Automobile Manufacturers, American Honda Motor Co., Inc., and General Motors (Joint Automakers) echo this point, stating that “[g]iven the transportation electrification goals referenced in this statutory language ... it is clear that swift action, pilot data collection, and larger scale programs are needed,” and that “[a]chieving a penetration of EVSEs that will support the required penetration of PEVs will ultimately require additional model programs—*significantly beyond those being tested in the Phase 1 vehicle-grid integration (VGI) pilots*—that leverage the strengths and capabilities of all stakeholders, including utilities and electric vehicle service providers (EVSPs).”<sup>12</sup>

As such, SCE recommends that the Commission not restrict utility involvement, but rather provide utilities with the flexibility required to appropriately implement SB 350 goals in their respective service territories. Indeed, at this stage in the relatively nascent TE market, all of the tools available to the utilities—including investments in TE infrastructure—should be utilized to accelerate TE adoption due to its important contribution towards achieving energy and environmental policy objectives and meeting air quality mandates. Importantly, TE has a much greater potential to reduce air pollution and greenhouse gases (GHGs), when compared to energy

---

<sup>10</sup> As referenced in TURN’s Comments on p. 2: “NRG is making significant investments in charging infrastructure and any utility charging station program should be coordinated with these investments and should seek to leverage this project to maximize value to ratepayers.”

<sup>11</sup> SCE Comments on Assigned Commissioner Scoping Memo and Ruling (R.13-11-007), pp. 2-13, filed August 29, 2014.

<sup>12</sup> Joint Automakers Comments, p. 3 (emphasis added).

efficiency or electric sector renewable generation, and thus could provide relatively greater contributions towards achieving California’s long-term environmental policy goals. As noted in SCE’s opening comments, “TE reduces up to three times more GHGs per kWh than electric sector renewable generation or energy efficiency (EE). With respect to smog-forming NOx, light-duty EVs reduce emissions up to eight times more than renewable generation or energy efficiency, and medium- and heavy-duty electric vehicles reduce emissions by up to sixty times per kWh.”<sup>13</sup>

**B. The Commission Should Provide Utilities Flexibility in Implementing TE Programs**

As discussed in SCE’s and other utilities’ opening comments, the Commission should provide utilities flexibility in implementing TE programs.<sup>14</sup> SCE supports SCAQMD’s recommendation that the Commission should allow and encourage utility involvement while maintaining market competitiveness, and that the process for ensuring this need not be “overly prescriptive in the utilities’ role in PEV infrastructure at this stage.” SCAQMD continues, “[t]he process should instead evaluate each of the IOU’s PEV plans independently and on their individual merits, providing flexibility on a regional basis for segment prioritization based on regional needs.”<sup>15</sup>

**C. The Commission Should Provide an Expedited Process to Approve TE Proposals**

As discussed in SCE’s opening comments, new and existing TE programs and investments, in this decade, should be expedited to provide valuable data to inform future TE

---

<sup>13</sup> SCE Comments, pp. 4-5.

<sup>14</sup> SCE Comments, p. 12, SDG&E Comments, p. 3: “The Commission should create a flexible and expedient regulatory framework where utility proposals address customer specific needs and technology solutions.” PG&E Comments, p. 3: “Flexibility on sector and go-to-market strategies needs to be a paramount element of the next stage of Commission and stakeholder initiatives and programs.”

<sup>15</sup> SCAQMD Comments, p. 5.



programs and build a long-term foundation for TE for decades to come. Such a process, if established in California, could become a model for other states.

SCE recommends against using past quantitative models for cost-benefit analysis or attribution that may not be appropriate for evaluating programs designed to accelerate beneficial load such as TE. Instead, SCE and other parties recommend that the Commission evaluate existing cost-benefit models, attribution, and other foundational issues and determine what new or modified approaches are needed to meet SB 350 requirements.<sup>16</sup> SCE also agrees with parties' recommendations that a simple, flexible, *qualitative* set of TE program design guidelines is sufficient in the near-term for inclusion in the upcoming Assigned Commissioner Ruling requesting TE applications.<sup>17</sup> Qualitative design guidelines for TE programs and investments provide a best-of-both-worlds solution: (1) delivering valuable pilot programs and investments to accelerate TE in the short-term, and (2) allowing sufficient time to develop and strengthen the foundation for TE programs and investments in the long term. This proposal would also allow TE programs and investments to inform the IRP and related rulemakings.

SCE supports PG&E's comments recommending pre-approval of certain projects as a means of accelerating TE.<sup>18</sup> As noted in SCE's opening comments, SCE also supports an expedited approval process for foundational projects such as: "make readies" for charging and propulsion infrastructure, incentives for charging stations, market education and outreach programs, TE pilots, research, development and demonstration (RD&D) programs, Low Carbon Fuel Standard (LCFS) programs, and new rates designed to facilitate TE.<sup>19</sup> SCE also appreciates

---

<sup>16</sup> Additionally, at the workshop, Eric Cutter, Director at E3, pointed out that there are competing avoided-cost and least-cost frameworks for examining costs and benefits and that the Commission should examine what would be an appropriate quantitative framework, if any.

<sup>17</sup> SCAQMD Comments, p. 5; PG&E Comments, p. 3; NRDC Comments, p. 4, SDG&E Comments, p. 3.

<sup>18</sup> PG&E Comments, p. 4.

<sup>19</sup> SCE Comments, p. 15.

similar comments made by ChargePoint supporting an expedited approval for make-ready investments.<sup>20</sup>

**D. SCE Recommends Conducting Further Research to Better Understand Rate-Structure Features to Facilitate TE**

SCE appreciates comments highlighting how current rate structures may present challenges to TE adoption—particularly with regard to Demand Charges for Commercial and Industrial customers.<sup>21</sup> SCE is committed to developing design rates that incentivize customers to invest in TE.<sup>22</sup> For example, with a better understanding of the total cost of ownership for various types and sizes of EV charging, utilities and the Commission can develop innovative designs for TE-friendly rate schedules. Stakeholders must understand the financial impact, feasibility, and longevity of both existing and potential solutions to reducing the total cost of ownership of TE. Ownership costs include LCFS credits, government grants, rebates and tax breaks, innovative electric rate structures, utility investments and programs, and utility market education and outreach efforts to help customers with software and hardware solutions.

**E. SCE Agrees with Several Recommendations to Enhance the Straw Proposal**

In Appendix 1, SCE provides a proposed revised version of the Energy Division Straw Proposal for guidance for TE applications. Appendix 1 combines the recommendations of SCE, NRDC, ChargePoint, East Yard Communities for Environmental Justice/Center for Community Action and Environmental Justice/Sierra Club (East Yards), and the Center for Sustainable

---

<sup>20</sup> ChargePoint Comments, p. 5.

<sup>21</sup> *See, e.g.*, PG&E Comments, p. 6; Intervenor Comments, p. 28; ChargePoint Comments, p. 5; NRDC Comments, p. 7.

<sup>22</sup> SCE has already worked with interested TE parties in other rate design filings to facilitate TE (*see, e.g.*, approved TOU-EV-1, TOU-EV-3, TOU-EV-4, and TOU-8, Option A, and pending AL-3402-E).

Energy (CSE).<sup>23</sup> SCE’s modified Straw Proposal recommends dividing the guidance into two sections: general guidance from SB 350 and additional guidance from the Commission. SCE recommends that the guidance should remain high-level, simple, and flexible. Further, SCE recommends the guidance should clearly distinguish between what utility proposals “must” do and what they should “should seek to” do. For example, flexibility in addressing load management is required because a “one-size-fits-all” solution to load management will not work for the many types of TE. While there is great potential for load management with light-duty EVs, this might not be the case with other types of TE, such as medium- and heavy-duty vehicles. Utilities are obligated to serve these new beneficial loads, which bring substantial benefits—including reduced air pollution and GHG emissions—and should be supporting their accelerated adoption, while also seeking to mitigate demand impacts.<sup>24</sup>

Appendix 1 adds the recommended language of NRDC and East Yards to SCE’s proposed modified Straw Proposal. Appendix 1 also incorporates CSE’s principle encouraging program transparency and shared learning by providing data. However, SCE made a small modification to CSE’s recommendation to use a more precise term than “ratepayer.”<sup>25</sup>

Appendix 1 addresses all of ChargePoint’s recommendations by including the clear guidance from SB 350.<sup>26</sup>

---

<sup>23</sup> SCE Comments, Appendix 1; NRDC Comments, Appendix A; Intervenor Comments, p. 32; ChargePoint Comments, pp. 2-4, 6, 10; CSE Comments, pp. 3-4.

<sup>24</sup> A specific load management solution is not mandated by SB 350.

<sup>25</sup> CSE Comments, pp. 3-4: “To inform and develop a competitive marketplace and to maximize learning from the TE technology deployed in these applications, anonymous and aggregated data from all programs should be made publicly available, easily accessible, and distributed as openly and widely as possible (while ensuring ratepayer confidentiality and privacy).”

<sup>26</sup> “Applications will be approved, or modified and approved, *if they are consistent with §740.12, do not unfairly compete with non-utility enterprises as required under §740.3, include performance accountability measures, and are in the interests of ratepayers as defined in §740.8.*” Emphasis added.

It is not necessary for the final guidance to detail the performance accountability measures or metrics at this time, as the decisions for the three utility EV infrastructure applications provide (or will provide) many examples of Commission-approved performance metrics.<sup>27</sup> Similarly, it is adequate to reference SB 350's direction to be "consistent with §740.12." The final guidance does not need to list the detailed provisions of §740.12(a).

**F. Controlled Charging Should Be Eligible Under the Storage Procurement Mandate to Incentivize Vehicle-Grid Integration**

SCE strongly supports comments made by the Joint Automakers recommending that controlled charging<sup>28</sup> be included as an eligible resource under the storage procurement requirement.<sup>29</sup> This proposal has previously been supported by a wide range of stakeholders, including SCE,<sup>30</sup> PG&E,<sup>31</sup> General Motors,<sup>32</sup> TURN,<sup>33</sup> ChargePoint,<sup>34</sup> NRDC,<sup>35</sup> and the Automakers.<sup>36</sup> Controlled charging has the potential to be a large-scale solution (*e.g.*, for oversupply and ramping challenges<sup>37</sup>) and provides an important additional resource to provide

---

<sup>27</sup> See D.16-01-045, pp. 138-142 (A.14-04-014); D.16-01-023, pp. 36-38 (A.14-10-014); Joint Motion for Adoption of Settlement, Attachment 1, pp. 5-6 (A.15-02-009), filed March 21, 2016.

<sup>28</sup> Controlled charging is also sometimes referred to as smart charging, managed charging or V1G.

<sup>29</sup> Joint Automakers Comments, p. 5.

<sup>30</sup> SCE Opening Comments on Track 2 issues, p. 7 (R.15-03-011), filed February 5, 2016.

<sup>31</sup> PG&E Opening Comments on Proposed Decision on Storage, p. 12 (A.14-02-009), filed October 2, 2014.

<sup>32</sup> General Motors Opening Comments on Proposed Decision on Storage, pp. 1-2 (A.14-02-009), filed October 2, 2014.

<sup>33</sup> TURN Reply Comments on Track 2 issues, p. 10 (R.15-03-11), filed February 19, 2016.

<sup>34</sup> ChargePoint Reply Comments on Track 2 issues, pp. 1-2, (R.15-03-011), filed February 19, 2016.

<sup>35</sup> NRDC Comments, on Track 2 Issues, pp. 4-9 (R.15-03-011), filed on February 5, 2016. NRDC lists eight factors that have changed since the 2014 ruling, which excluded controlled charging as eligible for the first storage procurement.

<sup>36</sup> Alliance of Automobile Manufacturers and American Honda Motor Co. Inc. Joint Opening Comments on Track 2 Issues, pp. 4-6 (R.15-03-11), filed February 5, 2016.

<sup>37</sup> See E3 Higher RPS Study Briefing for PEV Collaborative (March 11, 2014) at 9-12 (available at

flexibility and GHG reductions. Despite these beneficial attributes, controlled charging is not developing as fast as other storage technologies. This technology is appropriate to include as part of the Commission's Energy Storage Procurement Framework designed for market transformation. By making controlled charging eligible for storage contracts, the Commission can provide a clear signal to the market and provide the opportunity to realize VIG's potential as a large-scale solution. Such a market signal could facilitate the foundational changes needed to encourage widespread vehicle-grid integration as envisioned in this OIR, and could provide a boost to the business models of stakeholders in the vehicle and charging markets (similar to what has occurred with stationary storage devices). The grid benefits achieved through aggregated vehicle charging may be realized at competitive cost. Because EV drivers have already purchased the battery and charging stations, securing grid services from EVs may be an economically attractive energy storage option compared to purchasing new storage devices.

### **III.**

### **CONCLUSION**

SCE appreciates the opportunity to submit this reply to parties' comments on the Scoping Memo, and looks forward to continuing to work with the Commission and other stakeholders in developing the groundwork for electric utility applications proposing programs and investments to accelerate widespread transportation electrification in the light-, medium-, and heavy-duty vehicle sectors.

---

[http://www.pevcollaborative.org/sites/all/themes/pev/files/Ryan\\_PEVC%20Presentation%20Nancy%20Ryan%20E3.pdf](http://www.pevcollaborative.org/sites/all/themes/pev/files/Ryan_PEVC%20Presentation%20Nancy%20Ryan%20E3.pdf)).

Respectfully submitted,

FADIA RAFEEDIE KHOURY  
ANDREA L. TOZER

*/s/ Andrea L. Tozer*

By: Andrea L. Tozer

---

Attorneys for  
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue  
Post Office Box 800  
Rosemead, California 91770  
Telephone: (626) 302-6713  
Facsimile: (626) 302-7740  
E-mail: Andrea.Tozer@sce.com

Dated: **May 31, 2016**

## **Appendix 1**

**Proposed Revision of Appendix A: SB 350 Transportation Electrification**

**Application Guidance Straw Proposal: General Guidance**

## *Suggested Straw Proposal*

### **Guidance from SB 350**

1. Per §701.1, widespread transportation electrification should be on par with renewable energy and energy efficiency as a principal goal of utility resource planning and investment.
2. Applications filed in response to §740.12 should be of sufficient scope and scale to accelerate widespread transportation electrification to reduce dependence on petroleum, meet air quality standards, achieve the goals set forth in the Charge Ahead California Initiative, and reduce emissions of greenhouse gases to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050. Applications shall seek to minimize overall costs and maximize overall benefits. Applications will be approved, or modified and approved, if they are consistent with §740.12, do not unfairly compete with non-utility enterprises as required under §740.3, include performance accountability measures, and are in the interests of ratepayers as defined in §740.8.
3. [§740.8] As used in Section §740.3 or §740.12, “interests” of ratepayers, short- or long-term, mean direct benefits that are specific to ratepayers, consistent with both of the following:
  4. Safer, more reliable, or less costly gas or electrical service, consistent with Section 451, including electrical service that is safer, more reliable, or less costly due to either improved use of the electric system or improved integration of renewable energy generation.
  5. Any one of the following:
    - i. Improvement in energy efficiency of travel.
    - ii. Reduction of greenhouse gas emissions related to electricity and natural gas production and use.
    - iii. Reduction of health and environmental impacts from air pollution.
    - iv. Increased use of alternative fuels.
    - v. Creating high-quality jobs or other economic benefits, including in disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code.



**Additional Guidance from Commission:**

1. Applications should propose 2-5 year pilots and/or programs with associated budgets.
2. Applications, in combination with associated utility programs, should:
  - a) Consider regional transportation conditions and plans and seek to leverage other non-utility funds.
3. Prioritize sectors with high emissions-reduction potential while also considering regional air quality requirements and state petroleum reduction goals.
4. Consider potential for technology maturation and market transformation.
5. Leverage natural turnover and high-impact decision makers.
6. Align with other California policies:
  - i. Complement, inform, and coordinate with existing state agency initiatives at the California Energy Commission (CEC) and ARB (and other agencies), Governor's Executive Orders (B-16-2012, B-30-15, and B-32-15)/International ZEV Alliance, and CAISO initiatives, specifically:
    - a. Coordinate with Regional Plans (SB 375, Fixing America's Surface Transportation "FAST" Act) & Infrastructure Readiness Plans (AB 8, AB 118).
    - b. Coordinate with standardization efforts (SB 454, P.U. Code 740.2).
    - c. Coordinate with other SB 350 initiatives, the California Vehicle-Grid Integration Roadmap, and CAISO distributed resource proceedings (e.g. ESDER, DERP).
    - d. Coordinate with CEC and ARB research and forecasting initiatives, demonstration and pilot programs, and outreach and education activities.
    - e. Promote diversity in customer and community access, economic development, and supply chain development (SB 1275, SB 535, CPUC and CEC's supplier diversity goals).
  - ii. Complement, inform, and coordinate with other CPUC initiatives, such as:
    - a. Integrated Resource Plans, Distributed Resource Planning, Integration of Distributed Energy Resources, Time-of-Use, Energy Storage, Demand Response, Electric Program Investment Charge, etc.
7. Fit with CPUC and IOU/core competencies and capabilities.
8. Promote driver, customer, and worker safety.
9. Go beyond infrastructure deployment to consider the full suite of tools, rates, tariffs, policies, and programs needed to accelerate widespread transportation electrification.
10. Aim to fill gaps not met by the market while also accelerating the market where growth is already occurring.
11. Provide anonymous and aggregated data that is made publicly available, easily accessible, and distributed as openly and widely as possible while ensuring site host, property owner and EV driver confidentiality and privacy.